

Jozef Stumpel

I, Jozef Stumpel, have been an investor and lender to Ken Jowdy and his development projects since 2003. I have invested (for equity) and loaned (personally to Jowdy and his companies) over \$3,000,000 USD from 2003 to 2006.

Since 2003, I have never received a single dollar back from Jowdy (or any of his controlled investments) despite the fact that over \$1,600,000 USD of the funds were loans, which Jowdy has admitted to in testimony in the USA during civil cases in which Jowdy was sued for fraud by other investors and personal friends of mine.

One friend of mine, Glen Murray, also loaned Jowdy about \$800,000 USD on a short-term loan in 2005 and had to sue Jowdy when Jowdy failed to repay him. Glen won a \$1,000,000 judgment after a four (4) day bench trial in Nevada.

Diamante del Mar

Initially in 2003, I was told by my business manager in the USA, Phil Kenner, that Jowdy was seeking \$500,000 investors in his Mexican golf resort project in El Rosario Mexico (Baja Norte). I agreed to invest in the project and transferred \$500,000 to Jowdy's control in or about 2003. I later learned that the resort was foreclosed on after 2009, as a result of a \$3,000,000 USD loan that Jowdy and his brother-in-law, Bill Najam, executed by collateralizing the entire project site – appraised at \$68,900,000 at the time in February 2006.

I later learned through evidence produced in several cases in the USA that Jowdy personally withdrew about \$1,000,000 from the loan proceeds for his personal benefit, unrelated to the project itself – but masked in later accounting documents as “investments” that he purportedly made and was being reimbursed for ahead of all the other investors and lenders. Jowdy never made the investments according to his own records. I was never notified about the loan on the property or the later foreclosure by Jowdy. I had to learn about both events through 3rd parties – long after the fact. This became a total loss to me due to Jowdy's frauds.

Jowdy/ loan to LOR Management (Mexico)

In or about 2005, Jowdy again approached my Business Manager to ask if I could “help” a partner (Jowdy personally) and lend \$1,600,000 to his personal LLC in Mexico, LOR management (named after Jowdy's mother). I agreed with the understanding that Jowdy was repaying me at the earliest opportunity in the following year as a result of Jowdy financing one of the two (2) projects under his control in Baja Mexico with 10% interest on the funds. Jowdy never repaid me even after both projects were funded in February 2006 and March 2006. Despite dozens of requests to repay the loan over the early years, Jowdy always had a volley of excuses for the lack of funds and begged for patience. Later, through other litigation with Jowdy, I discovered that Jowdy actually had millions of dollars pass through his various bank account from the time I loaned him the money until 2006. Over the years, I learned that Jowdy used the LOR Management account to “wash” or “launder” funds that investors sent him for other specific purposes. I am still without the repayment of those funds 10 years later.

Jowdy & his attorney, Garcia, actually testified in a USA case against him for fraud that any funds sent to his company, LOR Management, were held as a “pass through” until they were directed by Jowdy to the intended project. That testimony was unbelievable to me.

Diamante Air (planes)

In or about 2005, Jowdy approached the group of investors from the Diamante del Mar project and asked, again through our Business Manager, if we would like to purchase a private jet and begin a side business chartering flights. The idea made sense to us because the project(s) that we were investing in Mexico were in the practice of leasing private jets several times a month for the resort promotions. As a result, Jowdy claimed that we could make the difference in the rental fees versus the costs and our own company would be handling the chartering through the defined group of real estate prospects which the resorts were paying for in the first place. I invested \$250,000 (in Jowdy's Diamante Air) and later found out that not only did Jowdy not pay me any dividends as

promised in 2005, but he flew the planes over 90% of the time as his own without regard for the long-term condition of the planes or the existence of a loan he fraudulently signed for – further withdrawing \$430,000 over a three (3) month period of time from November 2005 to January 2006 without the knowledge or consent of the members of the LLC or the two (2) guarantors, one of which was Kenner. Jowdy, in 2007, after Kenner demanded repayment for the incredible outstanding loans and other frauds within the resort management, allowed the planes to be repossessed. The LLC lost our assets that we had paid for, with no money from Jowdy, and Kenner and another partner (Sergei Gonchar) were sued by the lending bank for the unpaid \$1,000,000 PLUS loan Jowdy defaulted on. That project became a total loss for me and the other investors with only gains through fraud to Jowdy.

Cabo san Lucas Aeropuerto

Kenner and I discovered through emails from Jowdy's attorney, Fernando Garcia, that Jowdy had also fraudulently diverted \$500,000 from my \$1,600,000 loan to Jowdy that was supposed to be used exclusively for the closing efforts on the Cabo san Lucas project. Apparently, Jowdy failed to raise the necessary funds for his portion of the commitment and later sued Romo.

In testimony in 2010, Jowdy confirmed that he had sued Romo, but the Plaintiff was Jowdy and Garcia's company, LOR Management. Kenner, Norstrom and I were not recognized as members of the investment funds, even though we represented 100% of the \$1,000,000 PLUS in contributions according to Garcia's emails to Kenner. Jowdy proposed in the 2010 USA deposition that he was suing the airport owner and would gladly return the funds to the investors, but he never did. After a five (5) year legal battle, Romo won. Kenner met with Romo in Cabo san Lucas in 2012 on our behalf. Romo explained that Jowdy lost all of the funds as a result of the litigation. I am still at a 100% loss for these funds.

Diamante Cabo san Lucas

During the ongoing investments in Mexico, the final investment occurred during the later funding period of the Cabo san Lucas property acquisition prior to Lehman Brothers funding the initial \$125,000,000 loan. I, along with Kenner had also agreed to loan Jowdy \$956,000 for further assistance in funding the new Cabo san Lucas project. Again, Jowdy promised as he also did to my acquaintance, Jere Lehtinen (\$1,500,000), to repay my advanced funds. When the 30-days passed and Jowdy did not repay the funds, my Business Manager who arranged the deal with Jowdy guaranteed more security for my funds. Kenner offered to include my funds (for safety) into his 40% equity stake in the Cabo project in the event that Jowdy failed to repay the funds. Kenner was confident that Jowdy would repay the money no later than the closing of the financing by Lehman Brothers. When that time passed and Jowdy failed to repay the \$956,000 plus 10% interest (AGAIN), Kenner included me and Lehtinen into a newly formed LLC (Baja Ventures 2006, LLC) to secure our funds. I was thankful for Kenner's security or else I would simply have another loan outstanding to Jowdy who has clearly shown that he does not care about others and their money.

From the funding date forward, in addition to the frauds (not yet known to me) about the prior deals, Jowdy began to distance himself from the group of investors and our main connection to him, Phil Kenner. After one (1) year of development time, and virtually no development progress in Cabo despite the outrageous expenditures and salaries to Jowdy and his team of swindlers, Kenner finally said that we as a group had enough of Jowdy's perpetual lies. Jowdy tried to sedate Kenner on my behalf (and others) but the promises continued to unravel as quickly as they were made. Jowdy even tried to bribe Kenner with a 20% stake in his new Texas development. Kenner declined. In the summer of 2007, after Jowdy had again abandoned the 2nd Mexican development site to work on unrelated investments – with the entire Diamante Cabo staff while on Cabo payroll – Kenner began a settlement negotiation with Jowdy to resolve the \$8,000,000 PLUS in unpaid loans to me and my friends as well as the embezzlement, mismanagement and other frauds that had gone unchecked since 2003 with Jowdy. After two (2) months, Jowdy with the help of Bill Najam (the Diamante general counsel and COO), Jowdy agreed to leave the project and reduce his equity position considerably in return for Kenner and the other investor/ lenders forgiving the outstanding loans and other issues to Jowdy. Jowdy finally presented the deal in 2007 to Lehman Brothers for final signoff, but immediately the negotiations took a turn for the worse. The original and sign-able deal that

would have resolved years of conflict was VETOED by Jowdy's friend at Lehman Brothers for fear of future criminal prosecution regardless of the settlement terms.

From that time forward, myself and many of my friends and investor/partners were forced to sue Jowdy multiple times in the USA and Mexico. At that point, Jowdy began to fight back using the funds from our own Cabo budget to pay for his legal fees and other bribes in Mexico to keep himself from being arrested and deter future litigation. Jowdy actually sued me in 2010 in the USA for Malicious Prosecution despite the millions he defrauded me personally. Jowdy's frauds seem to have no limits.

To date, I have been unable to recover any of my funds while Jowdy has continued to loot the Cabo budget for his own personal protections and gains against the same people who invested 100% of the funds into all of his projects.

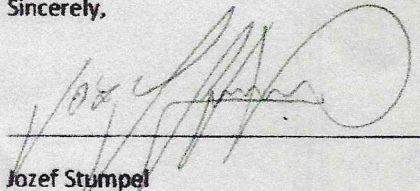
I believe that in Mexico, Jowdy would not have been able to protect himself without the assistance of the following people in his conspiracy:

- **Fernando Garcia** – Diamante's attorney. Garcia engaged in ongoing payoffs, witness intimidation, physical threats and extortion to protect Jowdy.
- • **John Behncke** – Former FBI agent and Diamante head of security. John has continued to engage in ongoing frauds with Jowdy and intimidation tactics related to victims of Jowdy in Mexico.
- **William Najam** - COO of Diamante (with sign off powers for the ongoing fund embezzlement and misappropriations).
- • **John Kaiser** – Former NY Police officer who defrauded the largest shareholder in the Cabo deal (Kenner) with forged documents to steal his equity (worth over \$100,000,000 in 2014) accompanied by an unauthorized and fraudulent sign-off by Jowdy to complete the fraud and theft of Kenner's equity. Kaiser is a construction manager who has continued to engage in frauds, extortion, and intimidation tactics related to victims of Jowdy in Mexico.
 - Kaiser signed an affidavit for me in Mexico in 2010 that he specifically travelled to Cabo from NYC and back in 24 hours (to help) and later withdrew the testimony once he became employed by Jowdy in or about 2011. This was a malicious act against me as a conspiracy between the parties to defraud me and my loans.
- • **Bryan Berard** – Jowdy investor and salesman who has continued to engage in frauds, extortion, and intimidation tactics related to victims of Jowdy in Mexico.

The following cash investments and loans from me to Jowdy and Jowdy related companies are still outstanding as many as eleven (11) years and counting with 100% of the benefit to Jowdy.

- \$1,600,000 – Jowdy loan to LOR Management (Mexico)
- \$500,000 – Diamante del Mar
- \$250,000 – Diamante Air
- \$956,000 – Loan to Jowdy (converted by Kenner in Diamante Cabo san Lucas)
- **Total: \$3,316,000.00**

Sincerely,



Jozef Stumpel

Passport Number:

BA 1413161

Date:

2/10/2014